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*Attorney for Defendant Cody Allen Easterday*

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

vs.

CODY ALLEN EASTERDAY,

Defendant.

No. 4:21-CR-06012-SAB-1

**DECLARATION OF CARL J.  
ORES KOVICH IN SUPPORT OF  
DEFENDANT'S MOTION TO  
CONTINUE SENTENCING  
HEARING**

I, Carl J. Oreskovich, do hereby declare the foregoing:

1. I am over the age of 18, competent to testify, and have personal knowledge regarding the matters stated herein.
2. I make this declaration in good faith and not for purposes of delay. This declaration is in support of a motion for continuance of Mr. Easterday's current sentencing date of January 24, 2022, until a date later than April 28

1 of 2022. This Motion is based upon the need for Mr. Easterday's  
2 continued participation in the recently filed adversary proceedings  
3 involving Mr. Easterday personally, Easterday Farms, and Easterday  
4 Ranches, Inc.  
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8 3. This sentencing hearing has been continued on two prior occasions. The  
9 first continuance was not precipitated by Mr. Easterday and was driven by  
10 your declarant's knee replacement surgery on June 15<sup>th</sup> and subsequent  
11 inability to adequately prepare for the then August 4<sup>th</sup> sentencing. A  
12 second motion for a continuance was granted based upon Mr. Easterday's  
13 necessary role in accomplishing the liquidation, surrender, and delivery of  
14 assets that were sold as part of the bankruptcy liquidation. The order  
15 granting the second continuance set the current sentencing date of January  
16 24, 2022.  
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24 4. By way of background, the Easterday Farms/Ranches Bankruptcy is  
25 extraordinarily complex. Cody Easterday and Debby Easterday as well as  
26 Mr. Easterday's 78-year-old mother Karen, entered into a Cooperation  
27 Agreement with the debtors in the bankruptcy whereby a significant  
28 amount of the Easterday individuals' real property was combined with the  
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1 bankruptcy estate's real property and sold for the purpose of generating  
2 money to pay creditors. The Cooperation Agreement is set to expire  
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4 December 31, 2021.  
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7 5. As indicated in my prior declaration, Mr. Easterday worked daily with  
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9 Paladin Management Company ("Paladin") the chief restructuring officer  
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11 in the Easterday Farms and Easterday Ranches bankruptcy, to assist with  
12  
13 the sale of agricultural products, farmland, real property, and equipment.  
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15 His efforts have contributed to the successful sale of their properties at a  
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17 significant and not liquidation value.

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19 6. At the time the Cooperation Agreement was entered into, the parties  
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21 attempted to negotiate an allocation formula splitting the sale proceeds  
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23 among the parties to the Cooperation Agreement. Unfortunately, no such  
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25 agreement was reached prior to the sale of those properties. Most recently,  
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27 on September 22, 2021, the law firm of Pachulski, Stang, Ziehl & Jones  
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29 filed an adversary action on behalf of the debtors asserting that the  
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31 bankruptcy estate was entitled to all of the proceeds of the property and  
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that neither Cody, Debby or Karen Easterday was entitled to any of the  
proceeds from the property contributed as part of the Cooperation

1 Agreement.

- 2
- 3 7. That case is set to be tried pursuant to a scheduling order attached hereto
- 4 beginning April 28, 2022, and is anticipate to be concluded by early May.
- 5
- 6 However, the issues involved are factually complex as the properties
- 7 contributed as part of the Cooperation Agreement, were acquired over a
- 8 thirty-year period by Cody and his father, Mr. Gale Easterday. Mr. Gale
- 9 Easterday tragically died in an automobile accident that occurred on
- 10 December 9, 2020. Cody Easterday is the only person who knows and
- 11 understands the details of the acquisitions, the ownership structure, and the
- 12 parties' intent with respect to the purchases. Your declarant has been in
- 13 communication with Mr. Jeff Misley, Mr. Easterday's personal bankruptcy
- 14 attorney, who advises that these determinations will be very fact intensive
- 15 and Cody Easterday's involvement on a daily basis is critical in Mr.
- 16 Misley's ability to prepare a defense to the adversary action within the
- 17 strict timelines of the scheduling order that is attached.
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- 19 8. The determination of the rightful owner of these properties is significant to
- 20 Mr. Easterday in his continuing effort to preserve and obtain maximum
- 21 values for assets that will be readily available for the payment of the
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1 restitution claim that will ultimately be determined in this criminal case. In  
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3 the simplest sense, if the properties are owned by the individuals, Mr.  
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5 Easterday's share will be valued significantly higher and available to apply  
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7 to the restitution ordered in this case. Conversely, if the properties are  
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9 ultimately determined to be owned by the debtors, then Mr. Easterday's  
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11 share would be limited to the value of his personal property interest in  
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13 Easterday Farms and Easterday Ranches, Inc., which will generate money  
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15 to pay toward restitution. Under these circumstances, Mr. Easterday's  
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17 interest in proving his ownership is critical and importantly increases the  
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19 assets available to make restitution.

19 9. Throughout the bankruptcy proceedings Mr. Easterday has consistently  
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21 worked with the management company operating the businesses to identify  
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23 and marshal assets, to bring properties to their highest market value, and to  
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25 employ strategies that maximize the value of Easterday assets for the  
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27 benefit of the creditors, including those who will receive restitution  
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29 payments. That was, and is, his continued goal.

30 10. Mr. Easterday does not seek to delay sentencing indefinitely and only  
31  
32 desires to continue his good efforts to generate as much money as possible

1 to reduce his restitution indebtedness.

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3 11. The Court should be advised that the resolution of this case occurred within  
4 an extraordinary quick time frame. The Government first appeared in the  
5 investigation of this case in mid-January of 2021, and by March 31<sup>st</sup> the  
6 parties had negotiated and entered a guilty plea. Mr. Easterday has quickly  
7 accepted responsibility, is not seeking to delay sentencing for any other  
8 purpose other than to maximize asset value to reduce the amount of  
9 restitution owed.  
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11  
12 12. I have communicated with Mr. Sean Carter, the United States Probation  
13 Officer assigned to prepare the Presentence Report on Mr. Easterday. Mr.  
14 Carter has no objection to the request for continuance.  
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17 13. I have also spoken with Mr. John Scanlon, counsel leading the prosecution  
18 of Mr. Easterday. Mr. Scanlon advises that the Government opposes the  
19 motion. However, Mr. Scanlon does not oppose a motion to shorten time  
20 to allow the motion to heard quickly.  
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22  
23 I hereby declare that the following is true and correct under penalty of  
24 perjury of the laws of the State of Washington and United States.  
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1 EXECUTED this 23<sup>rd</sup> day of December, 2021 in Spokane, Washington.  
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4 By: /s/ Carl J. Oreskovich  
5 Carl J. Oreskovich  
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**CERTIFICATE OF SERVICE**

I hereby certify that on the date indicated herein, I caused a true and correct copy of the foregoing to be filed with the Clerk of the Court using the CM/ECF System, which will send notification of such to all attorneys of record.

EXECUTED this 23<sup>rd</sup> day of December, 2021 in Spokane, Washington.

By: /s/ Jodi Dineen  
Jodi Dineen